

AMENDED IN ASSEMBLY AUGUST 17, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE MARCH 9, 2016

**SENATE BILL**

**No. 900**

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**Introduced by Senator Jackson**

(Principal coauthor: Assembly Member Williams)

**(Coauthor: Senator Pavley)**

January 21, 2016

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An act to amend Section 6217 of, and to add Section 6212 to, the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

SB 900, as amended, Jackson. State lands: coastal hazard removal and remediation program.

(1) Existing law establishes the State Lands Commission in the Natural Resources Agency and prescribes the functions and duties of the commission. Under existing law, the commission has jurisdiction over various state lands, including coastal lands.

This bill would, upon appropriation of moneys by the Legislature, require the commission to, within 2 years, administer a coastal hazard removal and remediation program, as specified. The bill would authorize the commission to seek and accept on behalf of the state any gift, bequest, devise, or donation whenever the gift and the terms and conditions thereof will aid in actions undertaken to administer that program. The bill would authorize the commission to seek to abandon, in cooperation with the Division of Oil, Gas, and Geothermal Resources, legacy oil and gas wells, as defined, that present a hazard to the public health and safety and the environment. The bill would require the

commission to annually report to the Legislature the activities and accomplishments of the program.

(2) Existing law, with specified exceptions, generally requires the State Lands Commission, on and after July 1, 2006, to deposit all revenue, money, and remittances, derived from mineral extraction leases on state tide and submerged lands, including tideland oil revenue, into the General Fund, to be available upon appropriation by the Legislature for specified purposes. Existing law establishes the Land Bank Fund, a continuously appropriated fund, from which the commission may expend moneys for management and improvement of real property held by the commission, as trustee, to provide open space, habitat for plants and animals, and public access.

This bill would require that, for the 2017–18 fiscal year, out of those funds deposited into the General Fund by the commission, the sum of ~~\$2,000,000~~ \$500,000 be transferred to the Land Bank Fund and be available, upon appropriation in the annual Budget Act, for the purpose of implementing the coastal hazard removal and remediation program. The bill would require that, commencing with the 2018–19 fiscal year and each fiscal year thereafter, an amount sufficient to bring the unencumbered balance of the Land Bank Fund available for the purpose of implementing the program to ~~\$2,000,000~~ \$500,000 be transferred to that fund and be available, upon an appropriation in the annual Budget Act, for the purpose of implementing the program.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Scattered along the California coastline are the remnants of
- 4 many old, human-made structures including abandoned oil and
- 5 gas wells, groins, jetties, piers, pilings, and seawalls.
- 6 (b) These remnants, often covered and uncovered by tides, are
- 7 the legacy of the rapid commercial development along the coastline
- 8 that began just before the turn of the 20th century.
- 9 (c) Most legacy oil and gas wells were abandoned in the early
- 10 1900s when there was little or no oversight of the abandonment
- 11 and removal, if any, varied from well to well. Some legacy oil and
- 12 gas wells, therefore, may seep oil into the surf zone impacting

1 swimmers, surfers, and other recreational users, and causing  
2 environmental degradation.

3 (d) The State Lands Commission has primary jurisdiction over  
4 sovereign lands along the California coastline that are held in trust  
5 for statewide public purposes, including, commerce, navigation,  
6 fishing, recreation, and open space and habitat preservation.

7 (e) The State Lands Commission has long recognized the serious  
8 and perennial health concerns and safety hazards that coastal  
9 hazards and legacy oil and gas wells pose.

10 (f) There is a critical need for adequate funding to inventory  
11 coastal hazards, including legacy oil and gas wells and related  
12 infrastructure, along the California coastline in order to begin  
13 determining how to remove coastal hazards and to identify and  
14 remediate leaking legacy oil and gas wells.

15 (g) With adequate funding, the State Lands Commission can  
16 inventory coastal hazards, legacy oil and gas wells and other oil  
17 and gas related hazards along the California coastline, including  
18 determining GPS locations, assessing entitlement requirements,  
19 preparing preliminary engineering requirements and removal cost  
20 estimates for each hazard, and removing and remediating hazards  
21 that are a significant risk to public health and safety and the  
22 environment. Adequate funding will also enable the State Lands  
23 Commission to survey and monitor oil seepage in state waters  
24 under its jurisdiction and on tidelands, and to request studies to  
25 determine oil seepage locations, rates, environmental impacts, and  
26 mitigation measures.

27 SEC. 2. Section 6212 is added to the Public Resources Code,  
28 to read:

29 6212. (a) Upon appropriation of moneys by the Legislature  
30 for the purposes of this section, the commission shall, within two  
31 years, administer a coastal hazard removal and remediation  
32 program to do all of the following:

33 (1) Complete an in-depth inventory of legacy oil and gas wells  
34 and other coastal hazards along the California coastline, including  
35 conducting field surveys and determining high-priority hazards  
36 and legacy oil and gas wells to remediate.

37 (2) Survey, study, and monitor oil seepage in state waters and  
38 tidelands under its jurisdiction to determine oil seepage locations,  
39 rates, and environmental impacts. The study information can  
40 facilitate possible mitigation measures.

(3) Begin the process of remediating improperly abandoned legacy oil and gas wells that have a high risk of leaking oil and, with any remaining funds, remove other identified coastal hazards.

(b) Notwithstanding Section 11005 of the Government Code and any other law requiring approval by a state officer of gifts, bequests, devises, or donations, the commission may seek and accept on behalf of the state any gift, bequest, devise, or donation whenever the gift and the terms and conditions thereof will aid in actions undertaken pursuant to subdivision (a).

(c) In cooperation with the Division of Oil, Gas, and Geothermal Resources, the commission may seek to abandon legacy oil and gas wells that present a hazard to the public health and safety and the environment.

(d) The commission shall annually report to the Legislature the activities and accomplishments of the program. The commission may include this information in the annual report it submits pursuant to Section 8618.

*(e) The commission shall prioritize its activities under this section based on available resources.*

~~(e)~~

(f) For purposes of this section the following definitions apply:

(1) “Coastal hazards,” include, but are not limited to, legacy oil and gas wells and human-made structures, including piers, jetties, groins, seawalls, and facilities associated with past oil extraction and other commercial operations, that pose a hazard to the public health and safety. Coastal hazards may include wood or steel piles or piling, sheet metal pilings, H piles and H beams, well casings, well caissons, railroad irons, cables, angle bars, pipes, pipelines, rip rap, and wood beams and structures.

(2) “Legacy oil and gas wells” are wells drilled near shore, before current abandonment standards, where there is little or no information on the well’s abandonment procedure and there is no viable company with the responsibility to reabandon the well should it start leaking or pose a threat to the environment or the public health and safety.

SEC. 3. Section 6217 of the Public Resources Code is amended to read:

6217. With the exception of revenue derived from state school lands and from sources described in Sections 6217.6, 6301.5, 6301.6, 6855, and Sections 8551 to 8558, inclusive, and Section

1 6404 (insofar as the proceeds are from property that has been  
2 distributed or escheated to the state in connection with unclaimed  
3 estates of deceased persons), the commission shall deposit all  
4 revenue, money, and remittances received by the commission  
5 under this division, and under Chapter 138 of the Statutes of 1964,  
6 First Extraordinary Session, in the General Fund. Out of those  
7 funds deposited in the General Fund, sufficient moneys shall be  
8 made available each fiscal year for the following purposes:

9 (a) Payment of refunds, authorized by the commission, out of  
10 appropriations made for that purpose.

11 (b) Payment of expenditures of the commission as provided in  
12 the annual Budget Act.

13 (c) Payments to cities and counties of the amounts specified in  
14 Section 6817 for the purposes specified in that section, out of  
15 appropriations made for that purpose.

16 (d) Payments to cities and counties of the amounts agreed to  
17 pursuant to Section 6875, out of appropriations made for that  
18 purpose.

19 (e) (1) For the 2017–18 fiscal year, the sum of ~~two million five~~  
20 ~~hundred thousand~~ dollars—~~(\$2,000,000)~~ (\$500,000) shall be  
21 transferred to the Land Bank Fund and, notwithstanding Section  
22 8610, shall be available, upon appropriation in the annual Budget  
23 Act, for the purpose of implementing the commission’s coastal  
24 hazard removal and remediation program provided in Section  
25 6212.

26 (2) Commencing with the 2018–19 fiscal year, and each fiscal  
27 year thereafter, an amount sufficient to bring the unencumbered  
28 balance of the Land Bank Fund available for the purpose of  
29 implementing the commission’s coastal hazard removal and  
30 remediation program provided in Section 6212 to ~~two million five~~  
31 ~~hundred thousand~~ dollars—~~(\$2,000,000)~~ (\$500,000) shall be  
32 transferred to the Land Bank Fund and, notwithstanding Section  
33 8610, shall be available, upon appropriation in the annual Budget  
34 Act, for the purpose of implementing the commission’s coastal  
35 hazard removal and remediation program provided in Section  
36 6212.

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